

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Network International Solutions, Inc. for a Certificate of Public Convenience and necessity to Provide Facilities-Based and Resale Competitive Local Exchange Services Within the California Service Areas of Pacific Bell and GTE California, Inc.

Application 05-01-007  
(Filed January 11, 2005)

**ADMINISTRATIVE LAW JUDGE'S RULING  
APPLICANT TO FILE ADDITIONAL INFORMATION WITHIN 30 DAYS  
IN ORDER TO AVOID DISMISSAL OF APPLICATION**

On January 11, 2005, Network International Solutions, Inc. (Applicant) filed an application with the Commission for a certificate of public convenience and necessity (CPCN) authorizing the provision of limited facilities-based and resold local exchange services in California.

However, the application was incomplete, because it did not include information regarding any deposits that Applicant would be required to pay to other telecommunications carriers in order to provide service and did not provide acceptable documentation to show that Applicant meets Commission financial requirements for the issuance of a CPCN. The application includes only unaudited financial statements for Applicant, and the Commission accepts only audited financial statements or one of the other types of financial document listed on Attachment A.

The assigned Administrative Law Judge (ALJ) therefore directed Applicant in writing to submit a supplemental filing which included acceptable

financial documentation to show that Applicant meets Commission financial requirements and information regarding any deposits to be paid to other telecommunications carriers by no later than March 14, 2005. Applicant did not respond to the ALJ's letter and failed to make the required supplemental filing or to request an extension of time in which to submit the necessary information within the time frame.

Applicant subsequently contacted the assigned ALJ, stated that it will not be required to pay any deposits to other telecommunications carriers in order to provide service in California, and provided information regarding a business revolving line of credit in the amount of \$200,000 that appears to have a two-year term. However, this line of credit does not meet Commission requirements, because its terms do not state that the Applicant is required to make payments of interest only during the first 12 months after certification of the applicant by the Commission. The ALJ directed Applicant to file additional financial documentation which meets Commission financial requirements by no later than June 1, 2005. To date, Applicant has not filed financial documentation that satisfies Commission requirements.

Applicant has had more than a reasonable opportunity to provide the required financial documentation necessary to qualify for CPCN.

**IT IS RULED** that:

1. Applicant shall file a supplemental filing which contains acceptable financial documentation to show that Applicant meets the Commission's financial requirements for providers of limited facilities-based and resold telecommunications services in California within 30 days of the date of this ruling. An explanation of these requirements and the types of financial documents that meet Commission requirements is attached as Exhibit A.
2. Applicant shall also send a copy of the supplemental filing directly to the assigned ALJ at 505 Van Ness Ave., Room 5041B, San Francisco, CA 94102 within 30 days of this ruling.
3. Applicant shall make the supplemental filing in accordance with the Commission Rules of Practice and Procedure. Applicant may contact the Commission Public Advisor's Office at 1/866/849-8390 or 1/866/849-8391 for assistance with procedural questions.
4. If Applicant fails to make a satisfactory supplemental filing by no later than 30 days after the date of this ruling, the assigned ALJ shall seek Commission dismissal of the application without prejudice, based on Applicant's failure to complete the application.

Dated August 29, 2005, at San Francisco, California.

/s/ MYRA J. PRESTIDGE

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Myra J. Prestidge  
Administrative Law Judge

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**Financial Information**

Please provide **audited** financial statements or one of the other types of financial documentation listed below which demonstrates that Applicant meets the financial requirements for providing limited facilities-based and resold telecommunications services in California.

Applicants for certificate of public convenience and necessity's (CPCN) to provide limited facilities-based and resold service must have **at least \$100,000** available for the operating expenses of the company, plus the cost of any deposits that must be paid to other telecommunications carriers in order to provide service. If the amount of deposits cannot be determined at this time, applicants must have at least an additional \$25,000 available for deposits.

**Unaudited** financial statements and checking account statements are not acceptable.

The acceptable forms of financial documentation are as follows:

- a. An **audited** balance sheet and income statement, **OR**
- b. Any of the following:
  1. Cash or cash equivalent, including cashier's check, sight draft, performance bond proceeds, or traveler's checks;
  2. Certificate of deposit or other liquid deposit, with a reputable bank or other financial institution;
  3. Preferred stock proceeds or other corporate shareholder equity, provided that use is restricted to maintenance of working capital for a period of at least twelve (12) months beyond certification of the applicant by the Commission;
  4. Letter of credit, issued by a reputable bank or other financial institution, irrevocable for a period of at least twelve (12) months beyond certification of the applicant by the Commission;

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5. Line of credit or other loan, issued by a reputable bank or other financial institution, irrevocable for a period of at least twelve (12) months beyond certification of the applicant by the Commission, and payable on a interest-only basis for the same period;
6. Loan, issued by a qualified subsidiary, affiliate of applicant, or a qualified corporation holding controlling interest in the applicant, irrevocable for a period of at least twelve (12) months beyond certification of the applicant by the Commission, and payable on an interest-only basis for the same period;
7. Guarantee, issued by a corporation, copartnership, or other person or association, irrevocable for a period of at least twelve (12) months beyond certification of applicant by the Commission;
8. Guarantee, issued by a qualified subsidiary, affiliate of applicant, or a qualified corporation holding controlling interest in the applicant, irrevocable for a period of at least twelve (12) months beyond certification of the applicant by the Commission.
9. A qualified subsidiary, affiliate, or corporation holding a controlling interest in the applicant must be either (1) a certificated going concern with active nondominant interexchange carrier (NDIEC) operations in California, or (2) a going concern with active NDIEC operations outside California.

The above language applies to NDIEC applications (Decision (D.) 91-10-041, App. A.)  
The same requirements are applied to Competitive Local Exchange Carrier applications (D.85-12-056, App. A.)

**NOTE:** If the applicant wishes to utilize a guarantee from another entity pursuant to paragraph 7 or 8 above, the applicant must also submit **audited** financial statements or

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one of the other types of financial documentation listed above which shows that the entity giving the guarantee meets the financial requirements for issuance of a CPCN.

**(END OF ATTACHMENT A)**

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Requiring Applicant to File Additional Information Within 30 Days in Order to Avoid Dismissal of Application on all parties of record in this proceeding or their attorneys of record.

Dated August 29, 2005, at San Francisco, California.

/s/ JANET V. ALVIAR

Janet V. Alviar

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.